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SUBJECT: ARGENTINA: FORCED AND CHILD LABOR IN GARMENT INDUSTRY

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11. (SBU) Summary: Based on interviews with GOA officials, International Labor Organization representatives, and union and NGO leaders, as well as a review of media articles, some companies in Argentina's apparel industry appear to use forced and child labor in their production chain. It is difficult to ascertain the extent of the problem, as reliable statistics do not exist. Estimates provided by government officials and NGOs may be inflated, because they do not/not clearly distinguish between voluntary sweatshop labor, long work hours in family-run businesses, and exploitative labor as defined by cable guidance (ref A). The public, private, and NGO sectors work together to investigate and prosecute companies that are accused of using forced and child labor. The government has conducted a number of public awareness campaigns and has organized training for labor inspectors. There have been a number of isolated reports of forced and/or child labor in small scale cultivation of the following goods: sugar, cotton, tobacco, poultry, tomatoes, strawberries, flowers, sugar, grapes, and lemons. Post has limited data on the extent of the problem but believes it merits further research. End Summary.

12. (SBU) Good: Apparel

Type of exploitation

According to our sources listed below, some companies in Argentina's apparel industry appear to use forced and child labor in their production chain. This includes debt bondage, physical restraint, threats to personal and family safety, labor offered under false pretenses, the confiscation of worker identity documents, and legal action (i.e., jail or deportation for illegal entry) against undocumented workers. Child labor also exists, as children may work alongside parents in clandestine shops. See refs B and C for more details on labor exploitation in Argentina.

Sources of information and Years

In recent weeks, Post interviewed GOA officials at the Ministry of Labor (MOL), Ministry of Justice (MOJ), and the National Commission Against Child Labor (CONAETI). Post also met with the Buenos Aires City Ombudsman's Office, as well as representatives from the International Labor Organization (ILO), and leaders of the Garment Workers Union and a local NGO, the Alameda Foundation Against Slave Labor. Secondary source research included articles from 2006 - 2008 in leading dailies La Nacion, Clarin, and Pagina 12, and the websites and reports of the MOL, CONAETI, ILO, and UNICEF. Per instructions (ref A) a list of websites will be e-mailed to the Department of Labor separately.

The Alameda Foundation is a local NGO formed in December 2007. The organization is headed by Gustavo Vera and Nestor Escudero, both of

whom have a history of active involvement in the fight against slave labor in the textile sector. Vera also heads the Sewing Workers Union. The foundation provides legal advice to workers of sweatshops, denounces cases related to slave labor in the garment sector, and informs the public of exploitation cases. The Alameda Foundation and its members work closely with officials from the city of Buenos Aires and local prosecutors to bring to justice textile factory owners accused of exploitation, as well as the owners of clothing brands that outsource production of their goods to these factories.

Narrative

Most garments produced in-country are sold domestically as both generic and branded goods, yet some of these goods have an international reach. According to a January 2007 U.S. Foreign Commercial Service Report on the Argentine apparel sector, local apparel sales to foreign tourists reached US\$ 110 million in 2006, reflecting a year-on-year increase of 40 percent over 2005. Apparel exports increased 59 percent in 2003 to USD 47 million, reaching markets in Europe, the U.S., Japan, and Central America. Some Argentine brand names have opened stores overseas, including Cheeky, which manufactures children's clothes and has a storefront in North Carolina. Both the Buenos Aires National Ombudsman's Office and the Alameda Foundation publicly denounce Cheeky for exploitative labor practices, but neither this company nor any other has been found guilty of such practices in an Argentine court of law.

According to the Alameda Foundation and an MOL official, Bolivian immigrants, usually in country illegally, represent the majority of forced labor victims. However there are also instances of Paraguayan, Peruvian, and Korean victims. (Post tried repeatedly to meet with counterparts at the Bolivian Embassy to discuss this issue without success.) The Foundation and media report that victims are lured by radio and print ads in their home countries that promise jobs in Argentina with eight- or nine-hour work days and a living wage. When victims inquire in Bolivia about the jobs in Argentina, local representatives help arrange their travel across Argentina's long and porous borders. Upon arrival, victims, often with their entire families, are forced to work 12-18 hour days, six days a week at below subsistence wages with little or no food, rest, or vacation. Workspaces may double as housing.

News articles and the Buenos Aires Ombudsman's Office repeat Alameda's claims. These same sources state that some owners may withhold pay due to "debts" incurred by the recruiter in transporting the workers. The structure of the garment industry, where larger companies often outsource production to small-scale, unregistered shops on short-term contracts, is a factor in the propagation of forced labor. All operate under a lax regulatory environment with limited enforcement of labor standards, especially outside the federal capital.

Cases of forced labor appear periodically in leading dailies. One well-known case occurred on March 29, 2006, when a sweatshop in the Caballito neighborhood of Buenos Aires city caught fire, killing six Bolivian immigrants, a man, a woman, and four children ages two to fifteen. The incident led to a wave of investigations throughout the city which closed many sweatshops and brought national attention to forced labor practices and illegal sweatshops.

More recently, on March 4, 2008, leading daily Clarin reported that police raided a garment sweatshop in the municipality of Florencio Varela in Buenos Aires Province after receiving a complaint from a worker who escaped and reported abuses to law enforcement officials. The police found seven Bolivian workers, including minors, living under slave-like conditions, unable to leave the premises where they operated sewing machines and looms. The police arrested the factory owner, who had confiscated the victims' identity documents. On April 4, 2008, Pagina 12 reported that police raided another sweatshop in Buenos Aires Province, finding fifteen undocumented Bolivians living in similar conditions. On May 30, 2008, a contact at the 5th Federal Court confirmed Alameda Foundation's claim that oral arguments will soon begin in an exploitative labor case against major local brands Montagne, Lacar, Rasti, and Cheeky.

Incidence

Post notes that incidence statistics enumerated below do not clearly distinguish between voluntary sweatshop labor, long work hours in family-run businesses, and exploitative labor as defined by cable guidance (ref A).

A representative of the Buenos Aires City Ombudsman's Office told poloff that they estimate that approximately 25,000 garment workers toil under slave-like conditions in the city. He stated that the city government successfully closed about 300 sweatshops, while another 500 moved outside the city to avoid inspections, but remain in Buenos Aires Province. The City Ombudsman's Office has identified 71 brands believed to manufacture garments in sweatshops. The Alameda Foundation has publicly denounced 85 brands and has filed approximately 100 legal complaints alleging forced and/or child labor. Its president, Gustavo Vera, is quoted in the press suggesting some slightly higher estimates of sweatshop activity, claiming that "between 700 - 900 were closed, another thousand moved to the province of Buenos Aires, and 3,000 remain in the city." According to press reports, federal and local governments closed down 712 sweatshops in the city of Buenos Aires over the eighteen-month period January 2006 - June 2007. A senior Ministry of Labor official told poloff that 60% of the informal workforce in the apparel industry is Bolivian. A 2004 MOJ/INDEC/ILO survey of Argentina found that of 456,207 children between the ages of five and seventeen working in a manner that interfered with school attendance, 27.9% of five to thirteen year olds and 36.8% of fourteen to seventeen year olds worked in some type of business, garment shop, or farm. Apparel-specific data is not provided.

Efforts to Reduce Exploitative Labor

The GOA's MOL is responsible for conducting labor inspections to ensure that companies register their workers and pay social security and other benefits proscribed by law. While it is responsible for conducting child labor inspections throughout the country, it delegates the responsibility of safety inspections to the provinces and the autonomous city of Buenos Aires. If forced or child labor is detected or suspected in the course of a routine inspection by the GOA MOL, it reports this to the relevant provincial authorities for further action. The MOL has signed an agreement with the Ministry of Education whereby child laborers identified in MOL inspections will be given a scholarship to enable them to attend school until 18 years of age. In addition, if the child's parents are unemployed, they will receive financial aid, labor training, and job referral assistance for two years. The Ministry of the Interior in April 2006 instituted the "Patria Grande" program, which regularizes illegal immigrants born in MERCOSUR or associate countries. According to a source at Argentina's National Migration Office, the Program has helped fight forced labor. Once immigrants receive citizenship documents they may apply for legal work and are unlikely to return to illegal, potentially exploitative jobs conditions.

The Buenos Aires City government, notably the City Ombudsman's Office, the Under Secretary of Labor, and the Under Secretary of Human Rights, have led the city government's efforts to combat forced and child labor in the apparel industry. They work cooperatively with the ILO and the Alameda Foundation to call for and/or lead investigations into alleged sweatshops, and publicly denounce numerous brand names. However, no case involving a major brand name has been successfully tried in Argentine courts.

In 2007, the National Institute of Industrial Technology (INTI), under the Ministry of the Economy, launched its voluntary certification program for clothing companies as a result of the public outcry triggered by the March 2006 sweatshop fire in Caballito. To combat forced labor in the apparel industry, INTI offers certificates of quality to clothing companies, including factories and suppliers along the entire production chain. Interested firms undergo a series of inspections and audits by INTI to gain certification. The applicant company must show that it provides its employees with decent, safe, environmentally-friendly working conditions free of violence, discrimination, and forced/child labor. As an incentive, INTI signed an agreement in 2007 with the Ministry of Defense and the Buenos Aires Provincial

Education Ministry, whereby the Ministries would favor certified companies in their purchases.

National and provincial governments work with the ILO, UNICEF, and other international organizations to build capacity and institutionalize norms related to forced and child labor across production of all goods in Argentina. The National Committee for the Elimination of Child Labor (CONAETI) conducts research on the issue, develops national programs and policies aimed at combating child labor, organizes training workshops with provincial labor inspectors, and coordinates policy with Provincial Committees for the Elimination of Child Labor (COPRETIIs). Many of its programs have been developed with outside assistance from the ILO and UNICEF.

It has conducted several public awareness campaigns in schools throughout the country, including a national campaign entitled "No to Child Labor" co-sponsored with the Ministry of Education.

Private companies also support the fight against forced labor. For example, Spanish Telecommunications company Telefonica created the Telefonica Foundation, whose Pronino program invests in educational opportunities for "at-risk children." In 2007, the program benefited 52,991 children, up 108 percent from the year before. In addition, the civic organization Conciencia, funded in part by private companies, none of which are garment manufacturers, contributes money to a few child labor prevention programs in Argentina, including Pronino.

Goods that Merit Further Research

13. (SBU) Based on Post interviews with the aforementioned organizations, the Argentina Rural Workers Union (UATRE) and media reports, there have been a number of isolated reports of forced and/or child labor in small scale cultivation of the following goods: sugar, cotton, tobacco, poultry, tomatoes, strawberries, flowers, sugar, grapes, and lemons. Post has limited data on the extent of the problem, but believes it merits further research. A 2004 MOJ/INDEC/ILO survey of Argentina found that of 456,207 children between the ages of five and seventeen working in a manner that interfered with school attendance, 27.9% of five to thirteen year olds and 36.8% of fourteen to seventeen year olds worked in some type of business, garment shop, or farm. Farm-specific data is not provided. The study also showed that in rural areas, where cultivation of the goods above occurs, 78.5% of five to thirteen year olds and 38.1% of fourteen to seventeen year olds are working for their parents or other relatives. UATRE Secretary General Venegas agrees that many children work on family farms out of necessity. However, he agrees that this should not interfere with school, and must take into consideration the dangers associated with childrens' exposure to pesticides.

In November of 2006 tobacco growers, together with CONAETI and the ILO, launched the "Porvenir" program in Misiones Province to promote and ensure school attendance by children of tobacco workers.

UATRE Secretary General Geronimo Venegas noted in an interview with Post that his labor union has a history of fighting exploitative labor practices through worker documentation initiatives. In 2002, the union successfully implemented a country-wide program to provide agricultural laborers with worker log books, which is mandatory for work. Only legal, documented workers could receive a log book. The log book is not issued to illegal immigrants, undocumented workers, or children.

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